

STATINTL

18 October 1965

MEMORANDUM FOR THE DEPUTY DIRECTOR

SUBJECT: Request from John Steele, TIME Magazine

1. This memorandum contains a recommendation in paragraph 4.
2. John Steele, TIME, telephoned to ask if he may now secure information he has been seeking for two years, i.e., the story of what value was Penkovskiy to the United States, how were his services for CIA secured, how did "we" lose him, what actually happened to him, etc. He said he had, from time to time, let Mr. Helms know of his interest, so he was surprised when the story broke of Frank Gibney doing a book to be serialized in the "papers." He said he spoke briefly by phone today with Mr. Helms but Mr. Helms was hurried; however, he did tell him Doubleday was doing the publishing. I told him that was right. He referred to the British Press and to Victor Zorza, the latter reportedly saying CIA had the Penkovskiy papers. I told him CIA saw the MSS only when Gibney presented it for a security check and we did not comment on the content. The Agency's contact with Gibney was his presenting the MSS to the Agency.
3. Steele said he would like to have me check if he could talk to someone who knows the background of the Penkovskiy case as he thinks there is still a TIME article on who, why, and what happened to Penkovskiy, how he was caught, and some data on his life and reasons for his working for a foreign power (the U.S.).
4. RECOMMENDATION: That I tell Mr. Steele the Agency appreciates his interest but does not believe there should be Agency discussion, even with so good a friend as Steele and TIME, of Penkovskiy, now that there is the Gibney book with which the Agency has no connection.

SIGNED

Stanley J. Grogan